

Humanitarian Coalition East Africa Drought Appeal



Final Evaluation Report: Cash Programs

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This report represents a summary of the learning from the Final Evaluation related specifically to the cash transfer projects implemented by the member agencies of the Canadian Humanitarian Coalition and CIDA East Africa Drought Response. Detailed and specific recommendations have been provided on cash transfers to each of the agencies in country level agency specific reports, and this report concentrates on the wider lessons learned and regional recommendations.

1. Executive Summary

All the Cash transfer projects evaluated were highly appreciated within the communities, were well planned and implemented, and had achieved several of their objectives. The beneficiaries clearly appreciated the nature of the cash transfers and the additional freedom to make their own decisions regarding spending. A broad finding from this evaluation is that keeping cash transfers as unconditional as possible¹ affords people affected by disasters the dignity to choose what best fits the individual needs of their household and their own route to recovery.

It has however been very difficult with the nature of this evaluation and the diversity of the cash projects and varied location contexts (geographical, livelihoods, urban/rural, cultural) to make strong conclusions based on the empirical qualitative and quantitative evidence for a comparative analysis of the cash transfer projects by either cash modality or cash payment method.

With regards to spending patterns, more cash was spent on food in the one cash for work (CFW) project than the unconditional cash grant (UCG) projects (in which funds were transferred in regular, small to medium payments). The spending by beneficiaries of the unconditional cash grant projects was higher on non-food basic needs such as shelter, water, health, education, fuel & clothes than on the CFW projects (more so in the displaced community settlements).

Comparison of the spending decisions between unconditional grants and CFW demonstrates that spending on livelihoods and small business activities was twice as high on the unconditional cash grant program (41%) in Kenya as on the CFW in Ethiopia (20%). This is due to the fact that the larger amounts received by the UCG beneficiaries allowed purchases above and beyond those for basic needs and potentially more investment in larger livelihood assets². However, the findings on spending on livelihoods and income generation activities in Mogadishu (8%) show significantly lower proportions being spent on livelihoods.

General conclusions have been drawn based largely on the qualitative information gathered, combined with the wide experience of cash programs of the evaluators, and the interviews with key informants and agency staff.

Care needs to be taken to time CFW projects carefully with respect to the emergency to recovery continuum, and to implement CFW projects soon after a crisis, rather than within the recovery phase.

The main conclusion from the overall evaluation of the varied cash projects funded by the HC and CIDA is that although the projects were well implemented, it was not always clear that agencies had selected cash modalities and payment methods based on a sound analysis of all options available. Agencies could have been more proactive in using modalities and seeking financial delivery mechanisms that were better suited to beneficiary needs, more convenient, discreet, and more controllable with longer term potential access to financial services.

1 And keeping program conditions to those that are justifiable for a specific purpose.

2 The CFW project allowed very small purchases of seeds and fertiliser in general, and only in one case was a purchase of chicks identified, rather than 'larger' livelihood assets.

Recommendations

- Establish robust grievance systems and light post distribution monitoring from project outset to help solve identified problems early and allow rapid adjustment in project design.
- Adopt a precautionary approach to the use of CFW projects in chronic and slow onset disaster settings. Err towards unconditional cash grants unless the application of conditions or the need to work for cash can be justified for specific reasons. Where community work initiatives are considered useful, these should contribute to increased productivity and incomes and should be selected by and in close consultation with communities.
- Coordinate in order to advocate with national governments in readiness for larger scale cash programming in emergencies.
- Consider potential payment methods and technologies that would best suit beneficiary needs, at scale.

2. Summary of Cash Approaches by Country

The final evaluation conducted in October 2012 considered two cash transfer approaches in Ethiopia, two in Kenya, and two in Somalia.

Country	Agency	CTP Summary
Ethiopia	Plan International	Large 4000ETB (Ethiopian Bir) or 220 USD grant for recovery through Micro Finance Institution and vouchers, but the beneficiaries had to purchase 6 sheep or goats through the project channels, and the local authorities had insisted that beneficiaries were not allowed to sell their sheep or goats for one year. For this and other reasons, this was not a standard cash project. The cash aspects were integrated within a larger Nutrition, WASH and other animal health and agricultural productivity aspects.
	Oxfam	CFW project for activities such as bush clearance and water point rehabilitation, with 20% of the most vulnerable individuals getting a direct cash grant.
Kenya	CARE	Unconditional grant of 7500 Kenyan Shillings (KES) or 88 USD in total in five monthly instalments of 17.6 USD integrated with a WASH project in Garissa, alongside some other CFW programming.

	Oxfam	Unconditional grant of 30,000 KES or 350 USD in ten monthly instalments in Wajir.
Somalia	Save the children	85 USD payment every month for 6 months to 333 HH, integrated with animal health and DRR work in Puntland (S. Central District)
	Oxfam	75 USD every month for six months to 3,435 HH integrated into a nutrition, WASH, health and shelter project in Mogadishu

3. Limitations of Cash Transfer Evaluation

Of the six cash transfer program (CTP) approaches listed above, only the two in Ethiopia were accessible to the evaluation consultants. The other four CTPs were evaluated by the consultants remotely³ due to security restrictions. This has severely limited the ability of this evaluation to conduct a comparative analysis of the CTP approaches used. The evaluation team had to contend with:

- **Inability to compare between the Conditional livelihood recovery approach and other CTPs evaluated** – There was only one livelihood recovery project so comparisons between livelihood approaches is not possible.
- **Inability to compare between two CFW approaches** – Only one cash for work (CFW) program was evaluated in detail (Oxfam in Ethiopia), as time and security limitations kept the evaluation team from visiting the CARE CFW project in Kenya⁴.

The evaluation team was however able to:

- **Compare between four remotely evaluated unconditional cash grant projects**
- **Make general inter modality comparisons**
- **Compare between payment methods**

3 In Kenya (by a team of local staff) with the same stakeholder, BF FGD and BF questionnaire methodology as was used in Ethiopia, and in Somalia with only the ability to interview Nairobi based HQ staff in person and with telephone interviews of partners and somalia based staff.

4 Though a very brief stop by the side of the road to view an earthpan livestock water source constructed by CFW was achieved, despite the security restrictions.

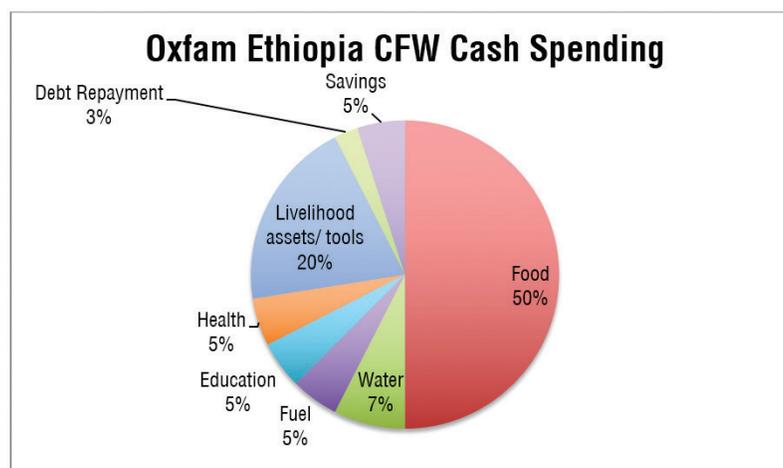
4. Comparative Analysis of Cash Transfer Approaches

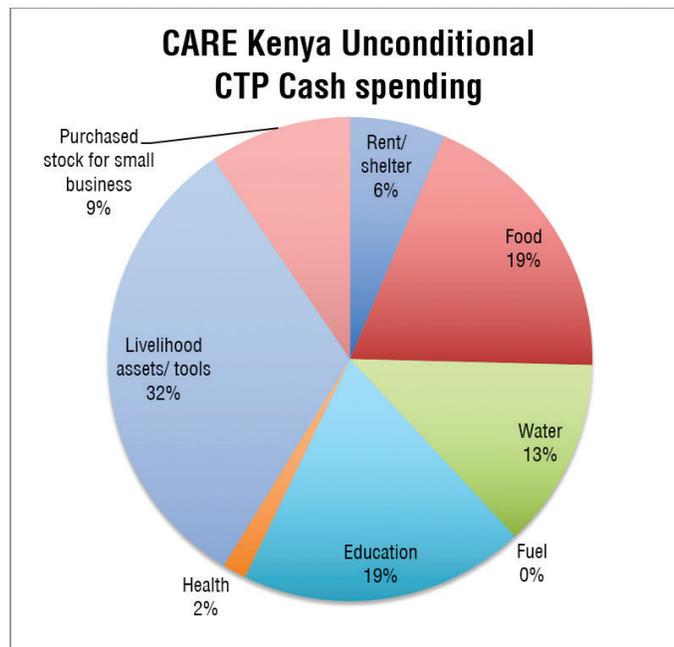
4.1 Comparison of Modalities

Modality	CFW	Conditional Grant	Unconditional Grants			
Country	Ethiopia	Ethiopia	Kenya		Somalia	
Agency	Oxfam	Plan	Care	Oxfam	Save the children	Oxfam
Summary	Daily rate for community projects (water point rehabilitation, bush clearance etc	Livelihood asset recovery through 'goat or sheep purchasing scheme'	Regular payments for basic needs	Regular payments for basic needs	Regular payments for basic needs	Regular payments for basic needs
Amount	Rate well below local wage rate	220 USD in one instalment	Total 88 USD in 5 monthly instalments of 17.6 USD	350 USD in 10 monthly instalments 35 USD	510 USD in 6 monthly instalments of 85 USD	450 USD in 6 monthly instalments of 75 USD

4.1.1 Comparison of cash spending between different cash modalities

Large proportions (20%) of cash spending from the CFW project went into livelihoods assets and tools as well as savings and debt repayments (8%).





Comparison of Spending Between Cash Transfer Modalities				
	CFW	Unconditional Cash Grants (UCG)		
Country	Ethiopia	Kenya	Somalia	
Agency	Oxfam	Oxfam & Care combined results	Save the Children	Oxfam
Food	50%	19%	35%	44%
Non-food basic needs (including; shelter, water, health, education, fuel & clothes)	22%	40%	40%	29%
Livelihood assets, tools and income generation activities	20%	41%	<1	8%

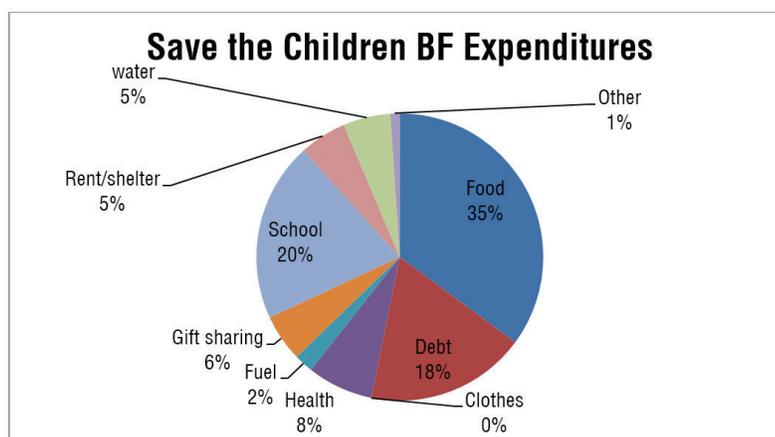
Food is 30% higher on the CFW project in Ethiopia than the UCG in Kenya and 10% higher than the average for the two UCGs in Somalia.

Other non-food basic needs (shelter, fuel, health, education, water) was almost twice as high on the unconditional grants in Kenya and the Somalia Mogadishu UCG (both at 40%) than on the CFW in Ethiopia (22%), but only 11% higher than for the Somalia UCG in rural Puntland (29%).

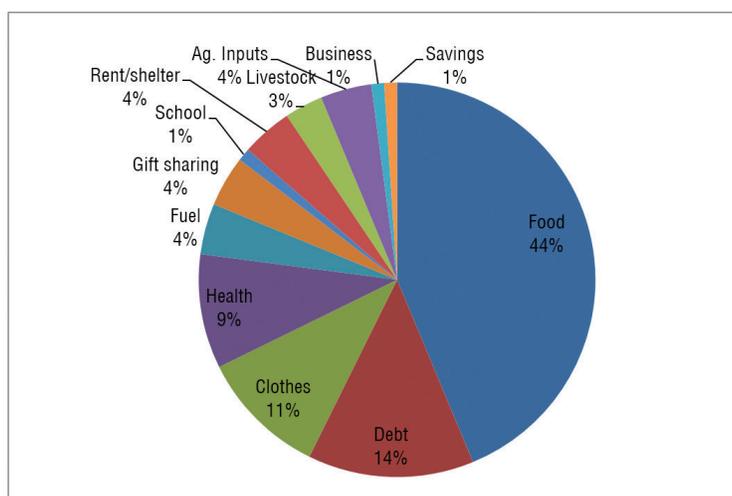
This is likely due to the very different circumstances faced in the displaced settlement conditions found in Kenya and Mogadishu, where food rations may have been distributed.

In addition, comparison of the spending decisions between unconditional grants and CFW demonstrates that spending on livelihoods and small business activities was twice as high on the unconditional cash grant program (41%) in Kenya as on the CFW in Ethiopia (20%). This is due to the fact that the larger amounts received by the UCG beneficiaries enabled purchases above and beyond those for basic needs, and potentially more investment in larger livelihood assets⁵. However, the findings on spending on livelihoods and income generation activities in Mogadishu (8%) show significantly lower proportions being spent on livelihoods.

Somalia - Save the Children Beneficiary UCG spending (Data from Save the Children Puntland Post Distribution Monitoring)



Somalia - Oxfam Beneficiary UCG spending (Data from Oxfam Mogadishu Post Distribution Monitoring)



5 The CFW project allowed very small purchases of seeds and fertiliser in general, and only in one case was a purchase of chicks identified, rather than 'larger' livelihood assets.

4.1.2 General comparison between modalities

The findings from this evaluation are broadly in line with good practices and the Cash and Learning Partnership:

- **CFW projects tend to encourage higher percentages of cash spending on foods than unconditional cash grants.** The CFW beneficiary spending pattern was 30% higher than on the Kenya UCG and 10% higher than the Somalia UCG.
- **CFW projects tend to encourage less spending on other non-food basic needs such as shelter, education and health, largely because the rates are low and insufficient money remains.** The cash spent on non-food beneficiary needs was twice as low as the UCGs in Kenya, but broadly in line with the other Oxfam UCG project in Mogadishu.
- **CFW projects tend not to allow beneficiaries to invest much in livelihoods recovery.** Spending on livelihoods was twice as high on the UCG projects in Kenya as on the CFW project. However, the CFW project still achieved high proportions of spending on livelihoods at 20%, and more than on the Oxfam UCG in Mogadishu (8%).
- **The later in the emergency to recovery continuum the cash is received; the more spending is devoted to livelihoods.** In cases where cash was intended to be paid soon after the emergency began, the cash was increasingly spent on non-food and livelihood recovery purposes.

CFW projects are not best implemented in their traditional form if livelihoods recovery is one of the objectives, as their short-term and low-rate nature encourage spending on basic needs. The CFW project in Ethiopia was more successful in its achievements with respect to the ‘useful’ and relatively productive community assets that it produced (bush clearance in particular and water point rehabilitation to a lesser extent) than its basic needs intentions. This was largely due to the fact that the daily rate was set at a very low amount and payments were delayed⁶. This is in line with the general findings from the remotely evaluated small CFW project in Kenya run as part of the larger CARE unconditional cash grant program. In both cases the CFW was a short-term intervention⁷ that provided small amounts of money to the household that allowed purchases of food (50%) and other non-food basic needs (water, education, health).

It is therefore important to time CFW projects carefully with respect to the emergency-to-recovery continuum. Programs should be specifically designed to take into account the fact that more cash is spent on livelihoods than basic needs when payments come within the recovery phase. Agencies should also consider whether CFW rates in countries are set so low as to be almost exploitative in nature.

In terms of satisfaction, the less conditional the approach adopted, the more it meets the specific needs of the beneficiary and the more satisfied the beneficiaries are. The Kenya UCGs had the most satisfied beneficiaries. The recipients of the larger grants on the recovery project in Ethiopia

6 In Ethiopia, the government sets the maximum rate that can be paid for CFW. However in this area, rates were selected for different areas by zonal committees, and for the site visited a remarkably low rate of pay was set. Delays in payments of two to three months because of bureaucratic and other delays including failure to open partner bank accounts in advance.

7 2 to 3 days a week over a 1 to 2 month period.

were satisfied with their goats, but they would have preferred to have made the choice of investment themselves rather than it being a strict condition. Keeping cash transfers as unconditional as possible affords people affected by disasters the dignity to choose what best fits the individual needs of their household and their own route to recovery.

4.2 Comparison Between Payment Methods

Since the sample sizes in Kenya and Ethiopia were very small, there is limited statistical evidence to examine regarding the different payment methods. This report therefore relies heavily on a comparison of general satisfaction of beneficiaries.

Comparison Between Cash Payment Methods					
	Cash in hand (envelopes from local partner)	Cash through Bank	Traders		'Hawala' Money Transfer Company
Country	Ethiopia	Kenya		Somalia	
Agency	Oxfam	Oxfam	Care	Save the children	Oxfam
Satisfied with the time it took to get payment	Yes - 55% No - 45%	Yes - 85% No - 15%	Yes - 70% No - 30%	Yes ⁸ - 99% No - 1%	Similar data not available
Time it took to wait to collect payment at encashment point	>1 hr - 60% 1-2 hr - 5% 3+ hr - 35%	>1 hr - 60% 1-2 hr - 10% 3+ hr - 30%	>1 hr - 20% 1-2 hr - 70% 3+ hr - 10%	>1 hr - 81% 1-2 hr - 13% 2+ hr - 3 %	95% said 'process of cash collec- tion was good (5% fair)
BF received all the cash expected	Yes - 50% No - 50% ⁹	Yes - 95% No - 0% ¹⁰	Yes - 74% No - 9 %	Yes - 99% No - 1 %	3% said they had 'paid someone' ¹¹
BF Satisfaction with how they were dealt with by the payment agency	Good - 60% OK - 33% Bad - 7% ¹²	Good -58% OK -11% Bad - 0 %	Good -52% OK -17% Bad - 0 %	Similar data not available	25% said they did not feel safe transporting cash home.

8 Save the Children beneficiaries were asked the slightly different question of 'was waiting time acceptable'

9 Many individuals were confused in the community surveyed, when the CFW project stimulated additional voluntary activities to expand the area of bush cleared. It seems that many individuals did not know that the second phase of bush clearance was infact voluntary. There were also confusions in relation to a neighbouring government CFW project.

10 Not answered/don't know was also an option

11 Up to 8% in Mogadishu, though this reduced throughout the program. These payments are thought to be related more to 'gatekeepers' than encashment point problems, though further research would be beneficial.

12 Other or don't know were also categories

Issues arose with the translation and interpretation of the question related to the 'time it took to get payment' which refers to the time that agencies said that cash payments were to be made rather than the time in line waiting for encashment. Where interviews were conducted remotely (Kenya and Somalia), it is difficult to identify which interpretation was made and thus the data remains unreliable. There were known problems with late payment on the Ethiopia CFW project, as well as confusion around voluntary work on the same projects, where not all individuals were aware that the work was unpaid. There was also confusion between payments made by this and a neighbouring government CFW program, and therefore the statistics are not considered completely reliable. It was possible to compare between the three payment method options: cash in hand in Ethiopia, trader payments in Kenya and Somalia, and cash through bank options in Kenya. Beneficiaries reported having to wait for more than 3 hours: approximately 7% for traders, 30% at banks, and 35% for cash in hand/envelopes. The trader payments in Kenya had very large proportions of BFs reporting waits of between one and two hours (70%). This would suggest that more needs to be done to implement mitigation measures, such as scheduling payments and negotiating for increased numbers of bank tellers.

On all but one or two projects, beneficiaries were expecting to get more cash than they received. This is likely due to a combination of over expectation and insufficient communication of project information, which points toward the need for more robust grievance mechanisms.

There were low levels of satisfaction with how beneficiaries were treated by the payment agencies and further research on this is recommended. There was dissatisfaction in Kenya between two neighbouring villages where one had cash delivered to recipients by the bank, while the other's beneficiaries had to walk to the bank. This was due to a boundary between the two villages, beyond which it was deemed too far for beneficiaries to walk.

4.2.1 Gender-related comparison between modalities and payment methods

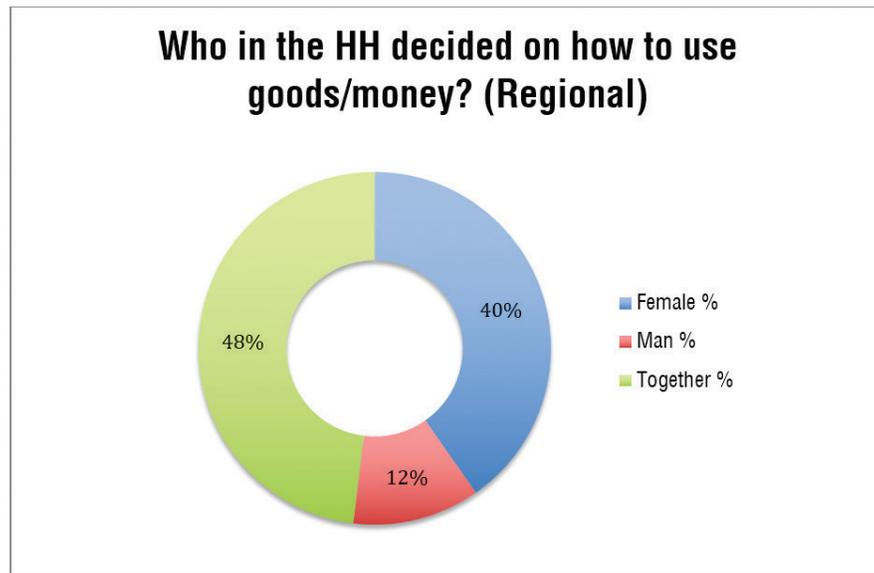
In Ethiopia, where the size of the sample was very small (20 beneficiaries), 10% reported knowing of 'favours' given in order to get onto the CFW program. This may indicate a risk of manipulation.

Men tended to be involved more in CFW than in other cash grant modalities (45% men, 35% women¹³). However, half of the respondents said that spending decisions were made jointly within the household¹⁴.

Women's experiences with the varying payment method options selected were mixed. Satisfaction does not appear to be fixed to any one particular type of financial provider. Matters related to the general organization of encashment points, such as scheduling, the length of wait, and the length of walk to payment points, are more important to them. Women appreciated the discretion of collecting money from traders. It would be useful to research the degree to which women felt or were obliged to purchase goods through those traders. There were low levels of satisfaction amongst the women who accessed cash through the Micro Finance Institutions on the livelihoods recovery project in Ethiopia. This is likely due to the requirement to leave a 100ETB retainer in the account in order to keep it open. This had not been properly explained to the women and they felt that their money had been wrongly taken from them.

13 The rest were elderly and children.

14 Of the other 50%, many of the HHs were female headed and therefore decisions could not be made jointly.



Being more involved in the financial decisions around spending within the household was reported as a boost to self-esteem across the region.

In many instances, women did not make substantially different spending choices than men, and yet many agencies choose to target women based on the assumption that women make more appropriate spending decisions that are in the interest of the household.

5. Conclusions

With regards to spending patterns, more cash was spent on food in the one CFW project than in the unconditional cash projects elsewhere. The spending by the beneficiaries of the unconditional cash grants was higher on non-food basic items (more so in the displaced community settlements) than on the CFW projects, possibly because of the very limited amounts of money paid on the CFW project that would allow much alternative spending above survival food purchases.

Spending on livelihoods and small business activities was twice as high on the unconditional cash grant program (41%) in Kenya as on the CFW in Ethiopia (20%). This is due to the larger amounts received by the UCG beneficiaries, which allowed purchases above and beyond those for basic needs and potentially more investment in larger livelihood assets¹⁵. However, the findings on spending on livelihoods and income generation activities in Mogadishu (8%) show significantly lower proportions being spent on livelihoods.

A general assessment of the varied cash programs examined across the three countries involved has provided evidence regarding the overall satisfaction of the SPHERE standards for cash:

¹⁵ The CFW project allowed very small purchases of seeds and fertiliser in general, and only in one case was a purchase of chicks identified, rather than 'larger' livelihood assets.

Key Actions	Satisfied?
Consult and involve BFs, community representatives and other key stakeholders	Satisfied
Assess and analyse if people could buy what they need in local markets	Partially satisfied ¹⁶
Choose cash or vouchers based on the most appropriate delivery mechanism and the most likely benefits to the population and the local economy	Partially satisfied
Implement measures to reduce risks of illegal diversion, insecurity, inflation, harmful use and negative impacts on disadvantaged groups. Particular care with targeting systems	satisfied
Monitor to assess if cash remains the most appropriate transfer and if adjustments are needed.	satisfied

The main conclusion from the overall evaluation of the varied HC & CIDA funded cash projects is that though the projects were well implemented, it was not always clear that agencies had selected cash modalities and the payment methods based on a sound analysis of a broad range of CTPs. Indeed in some case, the selection of the modality could well have been based on the agencies previous familiarity with the modality (CFW), or the ability to gain approval from the authorities (highly conditional grants).

The tendency for agencies and staff who are relatively new to cash is to select CFW and conditionality as the default option, often because they do not have the confidence in the beneficiaries to purchase the 'right' things. This is despite the extensive evidence that beneficiaries, when given unconditional cash and in larger amounts, usually use it for immediate basic needs and for longer term livelihood recovery. Similarly, with regard to the payment methods selected, agencies could have been more proactive in seeking financial delivery mechanisms that were more convenient, discreet and more controllable with longer term potential access to financial services.

Key Lessons on Cash Programming

5.1.1 Broadening the understanding of CTPs and selecting modalities

All projects experienced bureaucratic delays, but Cash Transfer Programming (CTP) in Ethiopia was found to be particularly prone to this. Where CTP is comparatively new, as it is in Ethiopia and to a lesser extent in Somalia, it is more likely to experience bureaucratic delays. In Ethiopia, CTPs are largely restricted to CFW programs similar to the government's social safety net program. In such circumstances, agencies may need to accept less ambitious CTP options, with more generic approaches rather than trying to introduce complexities into programs in order to meet the specific needs of the varied vulnerability groups. A simpler, less nuanced project that works well enough for all is better than a project that fails to meet all its different targets.

CTPs can require an enormous investment and heavy workload for agency staff in terms of training and advocacy efforts. Moreover, trying to match programs to what authorities will permit will often lead to projects with excessive control and conditions, rather than what best meets the

¹⁶ Not all projects did a significant degree of market monitoring, however it was not felt that this was essential in the slow onset disaster and largely recovery context of many of the projects.

needs of the beneficiaries. Coordination between agencies in the areas of cash training, information sharing, and above all, in joint negotiations with payment providers and reluctant authorities, increases efficiency and outcomes.

Where government limits the scope of modalities open to agencies, innovative new ways should be researched to try to ensure that beneficiaries are getting as close to the ideal modality, amount and payment method selection as possible. While Oxfam Ethiopia had no choice but to pursue the type of CFW approach currently approved by the local government, it is hoped that by a combination of advocacy and training for government counterparts, and by some careful planning and technical design which slowly pushes the boundaries of what is acceptable, more varied and customized modalities and payment methods will become possible in the future. This approach was eventually achieved by the large livelihoods recovery cash grant piloted by Plan International that went on to be accepted elsewhere in Ethiopia.

In general, agencies should seek out CFW activities that rely less on physical strength, or try to build in support roles¹⁷ into CFW projects that the less physically able can achieve. Alternatively, additional flexibility to the work hours (as the Oxfam CFW project in Ethiopia achieved) or benefits can be added to the rates, such as meals or vouchers for school attendance. Slowly these slight adaptations in approach will become acceptable to authorities when advocated for jointly and strongly.

CARE in Kenya experienced difficulties attempting CFW in the same place and at the same time as distributing unconditional cash grants (UCG), where some beneficiaries complained of having to work, while others did not. Improving the information shared with communities and involving them in project decisions, are likely to reduce such misunderstandings.

5.1.2 Setting the Cash Amount

Average household sizes can vary significantly between and within countries and within different ethnic groups in the same place. Many agencies calculate cash amounts based on the minimum food basket (MFB) as defined by the World Food Program (WFP). This MFB, is however set at the 'survival ration' in the short term for a globally average family size of 5 persons. A HH is often much larger than a 'family', as it may in some cultures include more than one family. In addition, in calculating the cash amount, agencies often fail to factor in items required to make the basket of goods into palatable food, such as oil, salt, condiments, matches, fuel and cooking instruments or equipment that displaced persons may not have been able to carry with them.

In general, CFW is best done in the low productivity seasons (CaLP 'Good Practice Review' 2011). Although CFW is useful for clearing and rehabilitating after sudden disasters, this is seldom the case for slow onset and chronic situations such as those in the three countries evaluated.

An essential question to asked before selecting a CFW project activity is whether the activity will perform a necessary service or provide a community asset or structure that could not otherwise be gained through community mobilization and volunteering. CFW project activities can sometimes undermine the traditional coping and recovery strategies of communities.

17 Such as food preparation for workers or child care by the elderly and PLW for the FHH who wanted to take part in the CFW activities.

5.1.3 Integrating CTPs within other sector interventions

When cash projects are integrated into other projects, impacts are improved, beneficiaries tend to be more satisfied, and some multiplier effects become evident. In Kenya, one project gave a smaller amount over a shorter time period, which was integrated into a WASH project and appeared to be much better received by the community than CTP with a larger total amount over a longer period in another community. The beneficiaries of both projects appeared to have very similar spending patterns, and both were very keen to access WASH initiatives. The Oxfam UCG project in Kenya had the unanticipated knock-on effect of encouraging beneficiaries to group together and pool their resources and labour to dig shallow wells. However it was felt that an integrated WASH project as part of the program would have been more successful in promoting all round improvements in water, sanitation and hygiene.

The Plan International project in Ethiopia and Save the Children's in Somalia also showed the importance of integrating animal health aspects into cash projects that are either aimed at providing livestock to vulnerable HHs, or where livestock are an important income source. Plan International in Ethiopia found that their nutrition projects benefitted from improved hygiene as well as from the milk and cheese consumed from the CTP goats.

5.1.4 Gender Specific Lessons:

- The benefits to women of CTP are numerous: dignity, empowerment, involvement in decision-making, and increased asset control.
- There were no reports of community disagreements around cash. In Kenya, very small numbers of women reported feeling under pressure to give small amounts to men who felt they were left out of the cash projects. Small numbers of women in Kenya also reported that men had suggested they might want to keep women pregnant in the mistaken belief that women could then stay on long-term CTPs. A more fulsome explanation of the rationale for targeting women, as well as the single-payment nature of the transfers should improve this.
- Targeting women as recipients of cash does not necessarily ensure women's priorities will inform spending decisions. Research on how decisions will be made in the home can help projects decide on targeting strategies and anticipating expenditures.
- The Oxfam CFW project in Ethiopia showed the effectiveness of switching FHH and elderly headed households to grants rather than CFW, and the ability of women to nominate others to work on their behalf.

Key Cash Recommendations

- Seek to ensure cash technical design skills are available, particularly at project conception, either in country or remotely. Provide training and capacity-building in readiness for cash technical design & assessment and implementation at HQ, country, and field levels. Develop and maintain in-house cash technical design capacity for cash through training and implementation experience.
- Provide justification for all technical design decisions (such as conditions, instalments, payment methods). Use response options analysis of advantages and disadvantages of all possible modalities and payment methods to ensure that broader ranges of in-kind and cash modality options are considered at the proposal stage.
- Enhance readiness for cash programs through the development of payment methodologies, as well as negotiations and advocacy with government for higher value cash programs. Undertake contingency planning at HQ and country level in preparedness for future cash programming to ensure any payment method contract negotiations begin prior to crisis.
- Ensure that direct market interventions¹⁸ that may help the market recover after shocks, or from credit bottlenecks, are understood and considered by agency staff¹⁹ to avoid the risk of price rises after distributions.
- In Ethiopia, explore the potential for HC agencies to coordinate, promote and/or lead a country cash preparedness strategy and advocate with government for cash programming in partnership with other agencies (WFP, ECHO and with CaLP back up).
- Ensure the risk analysis is done at design stage, and that appropriate mitigation measures are employed and updated.
- Develop and use expenditure calendars²⁰ and seasonal calendars to inform cash transfer timing.

Recommendations for Beneficiary Selection and Grievance Systems

- Increase the range of vulnerability groups targeted for inclusion. Collect data disaggregated by gender as a minimum and also for elderly and disability. Deliberately ask neighbours to identify where chronically sick, FHH, Child headed households, disabled persons, orphans and other very vulnerable or homeless persons live during assessment and beneficiary identification.

18 Such as small grants, loans or loan guarantees to shops and transporters to help them recover more quickly and resume supply to communities, rather than the NGOs supplanting the market through in kind.

19 Or as a combined approach where assistance is given to traders or transporters alongside cash grants or vouchers to BFs to both support and stimulate the market simultaneously.

20 Education fees and festivals, key seasonal livelihood input costs.

- Ensure that selection criteria are well known and clearly communicated. Explain selection decisions by varied means.
- Ensure that leaders and villagers fully understand grievance and appeal mechanisms from an early point in the project. Consider diagram or picture-based information as well as more formal, documented procedures in instances where there are heightened community tensions.

Recommendations for Monitoring and Risk Mitigation

- Disaggregate data by gender as a minimum and consider doing so for age and disability or other vulnerability groupings.
- Consider improving post-distribution monitoring (PDM) by adapting existing tools.
- Continue to develop light post-distribution monitoring (by adapting existing tools from the Cash and Learning Partnership and similar to those used by Oxfam and Save the Children in Somalia) to allow early modifications in approach. The key is to monitor only the essentials, including for ‘favours’ and social protection issues, so that the information can be analysed quickly and changes made to implementation.
- Regularly update early risk assessment and identify mitigation measures and adjustments made to respond to changing situations. Staff and partners need to be kept informed of any raised tensions or disaffection within communities and measures taken to address as necessary.
- Avoid introducing risks through new technologies and techniques.
- Consider safety and costs for beneficiaries when collecting cash. Minimise number of unsafe journeys and time spent in line waiting for payments.
- Consider maintaining a certain level of secrecy around distribution routes and schedules.

Recommendations for Payment Methods

- Support preparedness for CTP at national level through exploring local micro finance institution partnerships and other alternative payment methods (banks, transfer/remittance offices, Hawala, mobile phones) for when future crisis occur particularly for major population centres.
- Negotiate with financial service providers like banks and MFIs, to ensure that no significant amount needs to be left in accounts in order to keep the account open, or at least, if this does have to be the case that BFs are well informed.

Minor Recommendations

- Bear in mind that beneficiary spending priorities can change quite quickly between emergency, relief and recovery phases. Find out to what extent a donor minds if BFs do not spend cash on those sectors or goods identified in the objectives. Encourage donor flexibility.
- Pay attention to quality control measures (livestock, tools, seed quality) where CTPs are conditional and limit the types and ranges of goods for purchase.
- Favour local purchase where possible to ensure goods fit local circumstances and can contribute to the multiplier effects within the community.
- Advocate jointly against the taxation of cash transfers.
- Allow nominations for CFW (but not for children) and collection of payments.
- Take care not to take both/all care givers out of the home for CFW tasks. FHH face labour shortages already and should be considered for grants.